

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Securities Act of Washington by:

Safe Harbor Financial Services, Inc.  
and Michael Corey,

Respondents

SDO - 39 - 02  
S-02-255-02-TO01  
SUMMARY ORDER TO CEASE AND DESIST

Case No. 02-05-186  
S-02-255

THE STATE OF WASHINGTON TO:     Michael Corey, individually and as President of  
Safe Harbor Financial Services, Inc.  
5224 Olympic Drive  
Gig Harbor, WA 98335

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Safe Harbor Financial Services, Inc. and Michael Corey have each violated the Securities Act of Washington and that their violations justify the entry against each of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

I.

Safe Harbor Financial Services, Inc. is a Washington corporation with its principal place of business at 5224 Olympic Drive, Gig Harbor, WA 98335. Safe Harbor Financial Services, Inc. was incorporated on April 12, 2002.

SUMMARY ORDER TO CEASE AND  
DESIST

II.

Michael Corey is president of Safe Harbor Financial Services, Inc. He is a licensed life insurance agent.

III.

Michael Corey conducts seminars and publishes a newsletter providing advice on investments, including securities, and other financial matters. The advice is primarily directed to older investors. At one recent seminar Corey gave, attendees received a certificate good for \$149 towards any financial service (other than tax return preparation or review of trusts) offered by Safe Harbor Financial Services, Inc. The certificate was good through May 31, 2002. The certificate entitled the holder to a consultation with Corey about investment matters. In preparation for the consultation, the potential client was given a detailed questionnaire to fill out. The questionnaire included questions on the potential client's ownership of stocks, bonds, mutual funds, and limited partnerships. The potential client was supposed to bring the questionnaire to the consultation. In addition to the questionnaire and the certificate, seminar attendees received other written materials, including a sheet with information about Michael Corey and Safe Harbor Financial Services, Inc. These materials say that Michael Corey is an investment adviser and a senior estate planner. The materials say that Safe Harbor Financial Services, Inc. is an advisory firm providing comprehensive financial services, including investment advice, for older investors. The written materials claim that Corey has been advising senior investors for the last 17 years and including the slogan "Financial Management for Retirees Since 1986."

IV.

Neither Michael Corey nor Safe Harbor Financial Services, Inc. is currently registered as an investment adviser in the state of Washington and neither has previously been so registered. Safe Harbor Financial Services, Inc. has made a filing with the Investment Adviser Registration Depository (IARD), an electronic clearinghouse for investment adviser registration, but its IARD record does not show that it is registered in any jurisdiction as an investment adviser or broker-dealer. The Department of Financial Institutions has received no notification of any application for investment adviser registration in Washington for Safe Harbor Financial

Services, Inc. or Michael Corey, through the IARD or otherwise. The Department therefore has no way of knowing whether Safe Harbor Financial Services, Inc. or Michael Corey has demonstrated the knowledge required to qualify as an investment adviser or whether either has the required net worth.

V.

Michael Corey is not registered as an investment adviser representative or securities salesperson in the state of Washington.

VI.

The Securities Administrator finds that it is a threat to the investing public for Safe Harbor Financial Services, Inc. and Michael Corey to continue to hold themselves out as investment advisers in the manner described in Tentative Finding of Fact III without being registered as investment advisers.

Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

CONCLUSIONS OF LAW

I.

Safe Harbor Financial Services, Inc. and Michael Corey have each acted as investment advisers as defined in RCW 21.20.005(6).

II.

Safe Harbor Financial Services, Inc. and Michael Corey have each violated RCW 21.20.040 by acting as or holding themselves out as investment advisers in the state of Washington without being so registered.

III.

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 21.20.040 constitute a threat to the investing public, and that a summary order to cease and desist from those violations is in the public interest and necessary for the protection of the investing public.

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**SUMMARY ORDER**

Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED That Safe Harbor Financial Services, Inc. and Michael Corey each cease and desist from holding themselves out as investment advisers in violation of RCW 21.20.040, the section of the Securities Act of Washington requiring that persons holding themselves out as investment advisers be registered as such.

**AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of Chapter 34.05 RCW. The respondents, Safe Harbor Financial Services, Inc. and Michael Corey, may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist permanent as to that respondent.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

DATED this \_\_\_\_ day of May, 2002.

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DEBORAH R. BORTNER  
Securities Administrator

Approved By:

Presented By:

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Michael E. Stevenson  
Chief of Enforcement

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Suzanne E. Sarason  
Senior Enforcement Attorney